

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to establish preferred language requirements for creditors and servicers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to establish preferred language requirements for creditors and servicers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PREFERRED LANGUAGE REQUIREMENTS.**

4 (a) IN GENERAL.—Chapter 2 of title I of the Truth
5 in Lending Act (15 U.S.C. 1631 et seq) is amended by
6 inserting after section 129H the following:

1 **“§ 129I. Preferred language requirements**

2 “(a) STANDARD LANGUAGE PREFERENCE FORM.—
3 Not later than 90 days after the date of the enactment
4 of this section, the Director of the Bureau of Consumer
5 Financial Protection shall, after consulting with the Sec-
6 retary of Agriculture, the Director of the Federal Housing
7 Finance Agency, the Secretary of Veterans Affairs, and
8 the Commissioner of the Federal Housing Authority, by
9 rule, establish a standard language preference form which
10 includes a standard language preference question asked in
11 each of the 8 languages most commonly spoken by individ-
12 uals with limited English proficiency, as determined by the
13 Director of the Bureau of Consumer Financial Protection
14 using information published by the Director of the Bureau
15 of the Census.

16 “(b) TRANSLATION OF MORTGAGE DOCUMENTS.—
17 The Director of the Bureau of Consumer Financial Pro-
18 tection and the Director of the Federal Housing Finance
19 Agency shall jointly—

20 “(1) not later than 180 days after the date of
21 the enactment of this section, publish translated
22 versions of any documents published by the Federal
23 Housing Finance Agency or the Bureau of Con-
24 sumer Financial Protection and used in association
25 with a residential mortgage loan transaction, includ-
26 ing origination and servicing documents, for each of

1 the 8 languages most commonly spoken by individ-
2 uals with limited English proficiency, as determined
3 by the Director of the Bureau of Consumer Finan-
4 cial Protection using information published by the
5 Director of the Bureau of the Census; and

6 “(2) not later than 3 years after the date of the
7 enactment of this section, publish translated versions
8 of such documents in 6 additional languages that
9 are spoken in the most populous statistical areas of
10 the United States, as determined by the Director of
11 the Bureau of Consumer Financial Protection using
12 information published by the Director of the Bureau
13 of the Census.

14 “(c) REQUIREMENTS FOR CREDITORS.—

15 “(1) USE OF STANDARD LANGUAGE PREF-
16 ERENCE FORM BY CREDITORS.—

17 “(A) INCLUSION IN APPLICATION.—Each
18 creditor shall include, in any written application
19 used in connection with a residential mortgage
20 loan, the standard language preference form es-
21 tablished by the Director of the Bureau of Con-
22 sumer Financial Protection under subsection
23 (a).

24 “(B) INCLUSION OF DISCLOSURE.—Each
25 creditor may include, with such standard lan-

1 guage preference form, a disclosure stating that
2 documents may not be available in the preferred
3 language of the consumer.

4 “(C) DOCUMENTATION OF PREFERRED
5 LANGUAGE.—If a consumer indicates a pre-
6 ferred language that is not English on the
7 standard preferred language form, a creditor
8 shall document this language preference in any
9 file or electronic file of information associated
10 with such consumer and shall transfer such in-
11 formation to any servicer of the loan and to any
12 creditor that may own the loan in the future.

13 “(2) PROVISION OF TRANSLATED DOCU-
14 MENTS.—If a Federal agency or a State or local
15 agency in the area in which the residential property
16 is to be located has produced a translation of a doc-
17 ument used in associated with a residential mort-
18 gage loan in the preferred language of a consumer,
19 a creditor shall—

20 “(A) provide such translation in addition
21 to any English version of such document that
22 would have been provided to such consumer;
23 and

24 “(B) include a notice on the English
25 version of such document, in the preferred lan-

1 guage of the consumer, indicating that the
2 English version is the official and operative doc-
3 ument and the translated version is for infor-
4 mational purposes only.

5 “(3) ORAL INTERPRETATION SERVICES.—Any
6 creditor shall provide oral interpretation for any con-
7 sumer who has informed the creditor of a preferred
8 language that is one of the 8 languages most com-
9 monly spoken by individuals with limited English
10 proficiency, as determined by the Director of the
11 Bureau of Consumer Financial Protection using in-
12 formation published by the Director of the Bureau
13 of the Census.

14 “(4) NOTICE OF AVAILABLE LANGUAGE SERV-
15 ICES.—If a creditor receives information about a
16 language preference of a consumer through the
17 standard language preference form or from another
18 creditor, such creditor shall notify such consumer in
19 writing, in the preferred language of the consumer,
20 of any language services available, including the
21 services required under paragraphs (2) and (3).

22 “(5) TRANSFER OF LANGUAGE PREFERENCE
23 INFORMATION.—If a creditor transfers the servicing
24 associated with a residential mortgage loan, such
25 creditor shall notify such transferee servicer of any

1 known language preference of the consumer associ-
2 ated with such residential mortgage loan.”.

3 (b) REQUIREMENTS FOR SERVICERS.—The Real Es-
4 tate Settlement Procedures Act of 1974 is amended by
5 inserting after section 12, the following:

6 **“SEC. 13. PREFERRED LANGUAGE REQUIREMENTS.**

7 “(a) USE OF STANDARD LANGUAGE PREFERENCE
8 FORM BY SERVICERS.—

9 “(1) INCLUSION IN NOTICES.—Any servicer
10 shall include the standard language preference form
11 established by the Director of the Bureau of Con-
12 sumer Financial Protection under section 129I of
13 the Truth in Lending Act with—

14 “(A) any notice required under section
15 1024.39(b) of title 12, Code of Federal Regula-
16 tions;

17 “(B) any notice required under section
18 6(c) of the Real Estate Settlement Procedures
19 Act of 1974;

20 “(C) any notice required under section
21 1024.41(b)(2) of title 12, Code of Federal Reg-
22 ulations;

23 “(D) any notice required under section
24 1024.41(c)(2)(iii) of title 12, Code of Federal
25 Regulations; and

1 “(E) any other additional notices as the
2 Director of the Bureau of Consumer Financial
3 Protection determines necessary.

4 “(2) INCLUSION OF DISCLOSURES.—A servicer
5 may include, with such standard language preference
6 form, a disclosure stating that documents may not
7 be available in the preferred language of the bor-
8 rower.

9 “(3) DOCUMENTATION OF PREFERRED LAN-
10 GUAGE.—If a borrower indicates a preferred lan-
11 guage that is not English on the standard preferred
12 language form, a servicer shall document this lan-
13 guage preference in any file or electronic file, of in-
14 formation associated with such borrower and shall
15 transfer such information to any other servicer that
16 may service the loan in the future.

17 “(b) REQUIRED LANGUAGE SERVICES FOR
18 SERVICERS.—

19 “(1) PROVISION OF TRANSLATED DOCU-
20 MENTS.—If a Federal agency or a State or local
21 agency in the area in which the residential property
22 is to be located has produced a translation of a doc-
23 ument used in associated with a residential mort-
24 gage loan in the preferred language of a borrower,
25 a servicer shall—

1 “(A) provide such translation in addition
2 to any English version of such document that
3 would have been provided to such borrower; and

4 “(B) include a notice on the English
5 version of such document, in the preferred lan-
6 guage of the borrower, indicating that the
7 English version is the official and operative doc-
8 ument and the translated version is for infor-
9 mational purposes only.

10 “(2) ORAL INTERPRETATION SERVICES.—Any
11 servicer shall provide oral interpretation for any bor-
12 rower who has informed the servicer of a preferred
13 language that is one of the 8 languages most com-
14 monly spoken by individuals with limited English
15 proficiency.

16 “(c) NOTICE OF AVAILABLE LANGUAGE SERVICES.—
17 If a servicer receives information about a language pref-
18 erence of a borrower through the standard language pref-
19 erence form or from another servicer, such servicer shall
20 notify such borrower in writing, in the preferred language
21 of the borrower, of any language services available, includ-
22 ing the services required under subsection (b).

23 “(d) TRANSFER OF LANGUAGE PREFERENCE INFOR-
24 MATION.—If a servicer transfers the servicing associated
25 with a residential mortgage loan, such servicer shall notify

1 such transferee servicer of any known language preference
2 of the borrower associated with such residential mortgage
3 loan.”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 in Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631
6 et seq) is amended by inserting after the item relating to
7 section 129H the following:

“129I. Preferred language requirements.”.

8 **SEC. 2. ADDITIONAL LANGUAGE ACCESS RESOURCES.**

9 (a) HOUSING COUNSELING AGENCIES LANGUAGE
10 RESOURCES.—

11 (1) AUTHORIZATION OF APPROPRIATIONS.—
12 There is authorized to be appropriated to the Sec-
13 retary of the Department of Housing and Urban De-
14 velopment, such sums as are necessary to support
15 language training for HUD-approved housing coun-
16 selors and counseling agencies.

17 (2) ENHANCED SEARCH CAPABILITIES.—The
18 Secretary of Housing and Urban Development shall
19 not later than 1 year after the date of the enactment
20 of this Act update the website for housing counselors
21 approved by the Department of Housing and Urban
22 Development, to allow for searching for housing
23 counseling agencies based on the language services
24 they provide.

25 (b) LANGUAGE RESOURCE WEBSITE.—

1 (1) IN GENERAL.—The Director of the Bureau
2 of Consumer Financial Protection, the Secretary of
3 Housing and Urban Development, the Director of
4 the Federal Housing Finance Agency, the Secretary
5 of Agriculture, and the Secretary of Veterans Affairs
6 (hereafter referred to as the “agencies”), shall joint-
7 ly establish and maintain a website that provides
8 language resources for mortgage originators and
9 servicers.

10 (2) WEBSITE REQUIREMENTS.—The website de-
11 veloped pursuant to paragraph (1) shall include—

12 (A) the translations of documents pub-
13 lished pursuant to section 129I(b) of the Truth
14 in Lending Act;

15 (B) a glossary of residential mortgage
16 loan-related terms, provided in each commonly
17 spoken language;

18 (C) guidance for mortgage originators and
19 servicers working with customers who have a
20 preferred language that is not English; and

21 (D) examples of notices that may be used
22 by mortgage originators and services to inform
23 customers of available language services, pro-
24 vided in each commonly spoken language.

25 (c) ADVISORY GROUP.—

1 (1) IN GENERAL.—The Director of the Bureau
2 of Consumer Financial Protection shall establish an
3 advisory group consisting of stakeholders, including
4 industry groups, consumer groups, civil rights
5 groups, and groups that have experience improving
6 language access in housing finance transactions, to
7 provide advise to the agencies about issues that arise
8 relating to borrowers and consumers who have a
9 preferred language that is not English.

10 (2) REQUIRED CONSULTING.—The agencies
11 shall consult with the advisory group established
12 pursuant to paragraph (1) with respect to any issues
13 that arise relating to borrowers and consumers who
14 have a preferred language that is not English.

15 (d) ADDITIONAL RECOMMENDATIONS.—The agencies
16 may develop and recommend to Congress legislative and
17 regulatory changes to enhance mortgage origination and
18 servicing processes for customers with a preferred lan-
19 guage that is not English.

20 (e) DEFINITIONS.—

21 (1) BORROWER.—The term “borrower” has the
22 meaning given the term in the Real Estate Settle-
23 ment Procedures Act of 1974.

1 (2) CREDITOR.—The term “creditor” has the
2 meaning given the term in section 103 of the Truth
3 in Lending Act.

4 (3) CONSUMER.—The term “consumer” has the
5 meaning given the term in section 103 of the Truth
6 in Lending Act.

7 (4) SERVICER.—The term “servicer” has the
8 meaning given the term in the Real Estate Settle-
9 ment Procedures Act of 1974.